



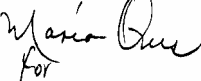
J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 20, 2005

TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley *for* 
Auditor-Controller

SUBJECT: **COUNSELING4KIDS CONTRACT REVIEW**

We have completed a contract compliance review of Counseling4Kids (Agency), a Department of Mental Health (DMH) service provider. It included a review of the Agency's billings to DMH for services provided in June and July 2004. The Auditor-Controller's Countywide Contract Monitoring Division conducted this review.

Background

DMH contracts with Counseling4Kids, a private, non-profit, community-based organization, which provides services to children and their parent(s) who reside in Service Planning Areas (SPAs) Two and Six. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan. Our review focused on the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) service, which is Medi-Cal's comprehensive and preventive child health program for individuals under the age of 21. At Counseling4Kids, the EPSDT billable services include Mental Health Services Medication Support Services, and Targeted Case Management Services. Counseling4Kids' headquarters is located in the Third District.

For our review period, DMH paid Counseling4Kids \$1.85 per minute (\$111.00 per hour) of staff time for Mental Health Services, and paid \$2.78 per minute (\$166.80 per hour) of staff time for Medication Support Services. The Agency also contracted with DMH to provide Targeted Case Management Health Services at \$1.44 per minute (\$86.40 per hour). For Fiscal Year 2003-04, DMH paid Counseling4Kids approximately \$3.2 million in EPSDT funds.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether Counseling4Kids was providing the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service and staffing levels. Our monitoring visit included a review of a sample of Counseling4Kids billings, participant files, and personnel and payroll records. We also interviewed staff from Counseling4Kids and interviewed a sample of the participants' parents or guardians.

Results of Review

Overall, Counseling4Kids provided the services outlined in its County contract. Counseling4Kids used qualified staff to perform contracted services, and the participants' parent or guardian interviewed stated the program services met their expectations. We also determined that the participants were eligible to receive services.

The Agency insufficiently documented 2,902 (46%) of the 6,296 service minutes sampled. For example, for 1,887 of the 2,902 minutes the documentation used to support the billings did not describe the specific service provided by staff to assist the client in achieving their goal(s). The insufficiently documented billings totaled \$5,894.

We recommend that Counseling4Kids management maintain proper documentation to support the services billed to DMH.

Review of Report

We discussed the results of our review with Counseling4Kids and provided a copy of our draft report on May 24, 2005. In their attached response, Counseling4Kids generally agrees with the findings in our report and describes the changes they have made to address our recommendations.

We thank Counseling4Kids management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Willa D. Meylink, Executive Director, Counseling4Kids
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING DIVISION
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT SERVICE REVIEW
FISCAL YEAR 2004-2005
COUNSELING4KIDS**

BILLED SERVICES

Objective

Determine whether Counseling4Kids provided the services billed in accordance with their contract with DMH.

Verification

We selected 6,296 service minutes from 335,843 service minutes that Counseling4Kids billed DMH for June and July 2004 and reviewed the progress notes maintained in each client's chart. The review was performed to ensure that the Agency met the documentation requirements of the contract and that the billing rates used by the contractor were appropriate. We also sampled an additional 915 (7,211 in total) service minutes billed by Counseling4Kids and reconciled the minutes to the progress notes supporting the services billed. The 7,211 minutes represents services provided to 34 program participants as reported by the Agency.

Results

Counseling4Kids did not maintain sufficient documentation for 2,902 (46%) of the 6,296 service minutes reviewed. For example:

- For 1,887 minutes billed, the Agency did not describe what the client or service staff attempted and/or accomplished towards the client's goal(s), as required by the County contract.
- For 825 minutes, the Agency billed for multiple staff, but the progress notes did not include a description of the services rendered by each staff person, as required by the County contract.
- For 455 minutes billed for Medication Support services provided to eleven clients, the Agency did not document the informed consent from the child, and, when applicable, the parent or guardian, as required by the contract when administering psychotropic medication.
- For 190 minutes billed, the case notes did not identify the service minutes spent by the staff to provide the services described in the notes, as required by the County contract.

The total number of minutes cited above exceeded the number of billings sampled because some of the billings contained more than one deficiency. The amount of services that Counseling4Kids did not sufficiently document totaled \$5,894.

Counseling4Kids over-billed DMH for 171 (2%) of the 7,211 service minutes sampled. Specifically, for 68 minutes billed, the Agency did not maintain supporting documentation. Counseling4Kids also over-billed 103 minutes, because they did not divide staff time between group participants. The amount of the over-billings totaled \$354.

Recommendations

Counseling4Kids management:

- 1. Maintain sufficient documentation to support its compliance with contract requirements.**
- 2. Repay DMH \$354 for the amount over-billed.**

CLIENT VERIFICATION

Objectives

Determine whether the program participants actually received the services that Counseling4Kids billed DMH and whether participants were eligible to receive services.

Verification

We interviewed the parents or guardians of 10 program participants to confirm that the participants are clients of Counseling4Kids and that they received the services that the Agency billed DMH. We also reviewed documentation in the participant files to determine whether participants were eligible to receive services.

Results

Each parent or guardian interviewed indicated that his or her child was a client of Counseling4Kids. The individuals stated they were satisfied with the services that Counseling4Kids provided to the children. In addition, documentation in the case file supports the participants' eligibility.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS**Objective**

Determine whether staffing levels are consistent with the staffing levels indicated in the County contract.

Verification

We reviewed the staff roster and payroll register for June 2004.

Results

We determined that Counseling4Kids maintains the staffing levels required by the contract.

Recommendation

There are no recommendations for this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether Counseling4Kids' staff had the required qualifications to provide the service.

Verification

We reviewed the personnel files for 25 of 72 Counseling4Kids staff and reviewed documentation to support their qualifications.

Results

Each staff person possessed the required qualifications to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether Counseling4Kids' reported service levels for Fiscal Year (FY) 2003-04 did not significantly vary from planned service levels identified in the DMH

contract. In addition, in instances in which significant variances are detected, determine whether the contractor received written authorization from DMH to vary from planned service levels.

Verification

We obtained a report of EPSDT billings from the State Explanation of Balances data for FY 2003-04 and compared it with the Agency's total EPSDT contracted level of service identified in the contract for the same period.

Results

Overall, Counseling4Kids did not exceed their annual budget of \$3.2 million. However, within specific service categories the Agency shifted \$323,000 allocated for Targeted Case Management Services (TCMS) to Mental Health Services (MHS) without prior written authorization from DMH. Counseling4Kids indicated that it provided TCMS as part of its delivery of MHS, which requires more qualified staff and uses a higher billing rate (\$1.85 per minute for MHS compared with \$1.44 per minute for TCMS).

Counseling4Kids needs to submit a written request to DMH's Director and obtain written authorization before making substantial deviations from the planned services described in the contract, as required.

Recommendation

3. **Counseling4Kids management submit a written request to DMH's Director and obtain written authorization before making substantial deviations from the planned services described in the contract.**



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6/2/05

Cc: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich
J. Tyler McCauley, Auditor-Controller

Subject: Response to Compliance Contract Review

Counseling4Kids sincerely appreciates the feedback provided by the Department of the Auditor-Controller and this opportunity to respond to the results of the review.

In response to the reviewers' feedback that Counseling4Kids did not maintain sufficient documentation for 2,902 (46%) of the 6,296 service minutes that were reviewed, we have done a thorough assessment of the problems noted, have made modifications to our quality assurance procedures, and have trained or re-trained clinical staff in DMH documentation.

More specifically, prior to the auditor-controller's review of our agency, Counseling4Kids had begun planning to increase (in line with DMH recommended supervision load) our staff of Clinical Supervisors, whose role is to review all clinical documentation and ensure compliance with DMH and Counseling4Kids standards and practices in order to strengthen the Quality Assurance component of our programs. With this additional licensed clinical staff, we feel confident that there will be a significant reduction in the problems related to clinical documentation that were identified by the reviewers.

Following this review, the Clinical Director also met with a representative from DMH, Vivian Matsushige, to thoroughly review the agency's clinical documentation training manual, additional client charts, and our quality assurance and control procedures. This meeting ensured that Counseling4Kids has the proper structures and protocols in place to maintain compliance with contract and DMH documentation practices.

C4K held additional trainings for our clinical staff after these reviews. Therapists were re-trained in DMH documentation procedures, with special attention given to writing progress notes. The M.D.s who provide Medication Support Services were also re-trained in DMH documentation procedures and in the required forms needed for medication services, including informed consent forms, and medication authorization from the court. In addition, the agency revisited and further strengthened procedures for ensuring that required consent and authorization forms are in each client's chart and for reviewing all clinical notes that are submitted for billing.

It is also worth noting that during the period under review (i.e. June and July 2004) Counseling4Kids was approximately 5 months into implementing an innovative new pilot program, our Early Intervention Program. This program utilizes an intensive team approach to treatment that is so unique that even DMH was often unsure how to instruct us to document and/or bill the services provided. For this reason, for several months we received multiple, and at times conflicting directives about how to document and/or bill services that were being provided by multiple staff. Fortunately, we now have a clear understanding of how to document in our progress notes services that are billed for multiple staff, so the problems identified by the reviewers related to this issue have since been addressed.

All services that were inadvertently over-billed have now been paid back to DMH by Counseling4Kids.

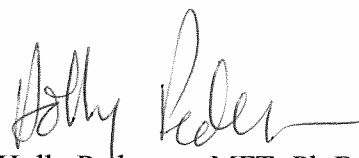
Finally, in the future, Counseling4Kids will submit a written request to DMH's Director to obtain written authorization before making substantial deviations from the planned services described in our contract. Thank you for bringing this procedure to our attention.

Counseling4Kids thanks the reviewers for their time and feedback and the County Supervisors for your interest in maintaining the highest quality of services and utilization of funding for our kids.

Sincerely,



Willa Meylink, Ph.D.
Executive Director



Holly Pedersen, MFT, Ph.D.
Clinical Director